Proceedings

of

THE TRAVANCORE SRI MULAM ASSEMBLY

THIRD ASSEMBLY.

FOURTH SESSION.

Friday, the 2nd August 1946/11th Karkadagom 1121.

(OFFICIAL REPORT.)

The Assembly reassembled at eleven of the clock in the Legislative Chamber, Public Offices, with the Dewan-President in the Chair.

MEMBERS SWORN.

1. Mr. A. S. Damodaran Asan (*Excise Commissioner*):
2. Mr. Kainikkara M. Padmanabha Pillai (*Secretary to Government*):

QUESTIONS AND ANSWERS.

Rubber Factory.

379. *MR. T. K. NARAYANA PILLAI (*Neyyattinkara* cum *Trivandrum*): Will the Government be pleased to state:

(*a*) the income if any from the Rubber Factory last year and this year; and

(*b*) the nature and present management of the Rubber Factory?

MR. C. KUMARA DAS (*Secretary to Government*): (*a*) Net profit to Government for 1120, Bh. Rs. 1,66,256-15-6.

Net profit to Government during 1121 is not known as the balance sheet will be drawn up only after the close of the year.

(*b*) The factory has been leased to a partnership consisting of Government and Sir Chinubhai Madhowlal Ranchhodlal, Baronet, Ahmedabad.

MR. T. K. NARAYANA PILLAI: May I know whether this partnership has been registered in Travancore?

MR. C. KUMARA DAS: Yes, Sir.

MR. T. K. NARAYANA PILLAI: May I know when it was registered and whether it is paying any income-tax?

MR. C. KUMARA DAS: It has been exempted from income-tax.

MR. T. K. NARAYANA PILLAI: May I know the reasons why this firm has been exempted?

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MR. C. KUMARA DAS : There are only two partners, the Government and the Company, and as a concession to the firm to carry on the work which was at a stand still at a particular period, this concession was found necessary.

MR. T. K. NARAYANA PILLAI : May I know whether it is a firm consisting of Travancoreans or non-Travancoreans ?

MR. C. KUMARA DAS : The Government is one partner and Sir Chinubhai Madhowlal Ranchhodlal, Baronet, the other.

MR. T. K. NARAYANA PILLAI : May I know whether Sir Chinubhai Madhowlal Ranchhodlal is a Travancorean or non-Travancorean ?

MR. C. KUMARA DAS : Non-Travancorean.

RAO SAHIB A. K. BHASKAR (*Quilon* cum *Kottarakara*) : May I know whether the factory is functioning now ?

MR. C. KUMARA DAS : Yes, Sir.

MR. P. O. THOMAS (*Kunnatnad* cum *Parur*) : May I know the amount of share taken by Sir Chinubhai Madhowlal Ranchhodlal in the partnership ?

MR. C. KUMARA DAS : He has half the partnership.

MR. K. A. MATHEW (*Tiruvalla*) : May I know whether this Company has been making profit ?

MR. C. KUMARA DAS : Yes, Sir.

MR. K. A. MATHEW : May I know the reasons then, for exempting this Company from income-tax ?

PRESIDENT : Order, order. Government took over the Rubber Factory when it was working at a loss and after a large amount of the accessories had been surreptitiously and clandestinely removed from Government's possession by those who were in charge of the factory at one period. After having tried to recover and partially successfully recovered some of the appurtenances from that company, Government wanted to find out how best this work should be begun. Government spent Rs. 4 lakhs at first, and then about Rs. 3 or 4 lakhs afterwards. Altogether I believe the company's outlay on this factory is about Rs. 7 to 8 lakhs. In order to run this, the question was whether it should be a public company or a partnership composed of Government, the Government retaining control over policy. Having regard to the future possibilities of the rubber industry in the State, Government came to the conclusion that they alone should run it, but not being situated so as to run a business concern, they invited the co-operation of Sir Chinubhai Madhowlal Ranchhodlal. The result was that the factory which was running at a loss brought in in the first year about Rs. 6 lakhs of profit, Rs. 12 lakhs in the next year and the year after next Rs. 7 lakhs, so that we have made roughly about Rs. 25 lakhs by way of profit on a concern which has cost the Government Rs. 4 lakhs at first and then about Rs. 3 lakhs, that is, a total outlay of Rs. 7 lakhs. Thus the Company have made a net profit of Rs. 25 lakhs. Government do not generally tax themselves by levying income-tax on their own

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concerns and this sum of Rs. 15 lakhs which has come to the Government has gone to the exchequer of the Travancore State. It was not considered necessary to tax it.

MR. P. O. THOMAS: May I know from the member why this share of Sir Chinubhai Madhowlal Ranchhodlal in the profit was not taxed?

PRESIDENT: He recieved his half share.

MR. P. O. THOMAS: May I know why it was not taxed?

PRESIDENT: Because local people were not able to take this business properly. The expectation of the Government has been justified by the result. A business which was not running at all made a profit, and that is why you must get a first rate man and pay him what he deserves.

MR. VARKALA K. MADHAVAN (*Neyyattinkara* cum *Trivandrum*): May I know whether the factory has increased the wages in recent times?

PRESIDENT: A strike has started today. I dare say this question has something with reference to it. The leader of the labourers, Mr. Srikantan Nair, went to Bombay. I have already referred to his travel. He saw Sir Chinubhai Madhowlal and the latter has promised to consider the matter. In the meantime the workers engineered a strike. Sir Chinubhai Madhowlal has telephoned that he arrived yesterday, and today negotiations are starting for the purpose of dealing with the wages in the Rubber Factory.

MR. K. M. PAUL (*Muvattupuzha* cum *Devicolam*): It has been stated that the company was making a profit between Rs. 7 and 12 lakhs in recent years, but it is given here that in 1120 the profit was only Rs. 1,66,256-15-6. May I know the reasons for this?

PRESIDENT: Because before the war we were having war orders. The war has now ended.

The Export of cashew kernel.

380. *MR. PULIYOOR T. P. VELAYUDHAN PILLAI (*Tiruvalla*): Will the Government be pleased to state:

(*a*) whether the representatives of Cashew Factory owners recently waited on the Dewan in deputation to represent their grievances on account of the restriction imposed by the Government of India on the export of cashew kernel from Travancore; and

(*b*) the result of such deputation and the action taken on it?

MR. C. KUMARA DAS: (*a*) Yes.

(*b*) Mr. V. S. Arumughom Pillai was deputed by Government to New Delhi to represent the case of the cashew nut industry before the Government of India. As the result of the representation, the Government of India have removed the restriction on the export of cashew nuts.

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